



NEWS RELEASE

COUNTY OF LOS ANGELES

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Proposed County Budget *Minimizes Service Reductions and Layoffs*

The County faces its third straight year of budget curtailments, but will be able to minimize service level reductions and avoid major layoffs, Chief Executive Officer William T Fujioka said today in releasing the proposed 2010-11 budget.

Fujioka said the economic situation “continues to force us to make difficult and extraordinary decisions concerning our budget,” but noted that the County is in much better financial shape than many other cities and counties because of the fiscal leadership and long-term budgeting discipline by the Board of Supervisors.

The proposed budget, which totals \$22.721 billion, a decrease of \$885 million from the current budget, will be presented to the Board of Supervisors on Tuesday, April 20. Public hearings begin May 12.

A \$510.5 million budget shortfall was mitigated by making \$175 million in ongoing operational spending reductions, using \$167 million in one-time reserve funding, and eliminating almost 1,400 vacant budgeted positions.

The remaining \$115 million needed to close the gap is anticipated to come through collaboration with labor unions. Discussions are under way on several proposals. “We are grateful for labor’s willingness to join us in reviewing these solutions,” said Fujioka.

Fujioka said the County, like other governmental agencies, is having a difficult time coping with the sustained economic slowdown. It continues to experience significant decreases in property and sales tax revenue as well as other important funding, while having a dramatic increase in the demand for services, most notably general relief assistance welfare payments.

Over the last three years, sales tax revenue has decreased by \$210 million, while property tax revenue has dropped \$132 million over the last two years. Unemployment in February 2010 hit 12.4 percent, compared to 4.8 percent in 2007. The County’s monthly average General Relief caseload has grown from 58,599 in 2007 to an estimated 93,860 this year – a 60 percent jump.

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Fujioka cautioned that the County cannot continue avoiding making major cuts to its budget if the economy does not soon improve.

“While the County of Los Angeles remains better positioned than most other state and local governments to manage these extraordinary events, continuing to maintain service levels, avoid significant layoffs and produce a balanced budget will only be possible to the extent recent economic indicators showing signs of improvement are sustained,” he said. “We are hopeful.”

Threatened cuts in funding by the state – currently estimated at as much as \$1.5 billion -- are of concern, but the proposed budget does not reflect potential impacts since the situation remains fluid.

Curtailments in the proposed budget include:

- Sheriff: \$128 million: Elimination of 214 budgeted positions by downsizing the Pitchess Detention Center, deletion of 300 vacant deputy positions, reduction in the overtime budget.
- Assessor: \$7.9 million reduction and elimination of 22 positions, impacting roll services, appraisals and information technology projects.
- Public Health: \$7.9 million reduction and elimination of 81 positions.
- Public Social Services: \$7.4 million and elimination of 383 positions.
- Public Library: \$4.8 million reduction and elimination of 9 positions, reducing service hours at selected libraries and elimination of the adult literacy program.
- Public Defender: \$4.5 million reduction and elimination of 18 positions.
- Children and Family Services: \$4.4 million reduction in programmatic areas.
- District Attorney: \$3.6 million reduction and elimination of 25 positions.